

ARTICLE APPEARED  
ON PAGE *Spectator*LOS ANGELES TIMES  
17 March 1986

# Where Is Aid to Contras Really Going?

By SAUL LANDAU and JOY HACKEL

Policy-makers preparing to vote on aid to the *contras* in Nicaragua would do well to keep in mind the plunder of the Philippines by Ferdinand E. Marcos. Government auditors testifying before Congress earlier this month revealed that at least \$7.1 million channeled last year to the *contras* could not be accounted for. The announcement raised a few eyebrows in Congress, and several members have called for an examination of the nuts and bolts of the Administration's Nicaraguan policy: Who gets the money appropriated, and what is done with it?

According to the congressional testimony of General Accounting Office director Frank Conahan, State Department audit controls "cannot verify actual delivery or receipt of items . . . and are unable to observe the end use of items to ensure that they were not diverted, bartered or exchanged."

This pronouncement shouldn't take many by surprise. Since it began in 1981, the U.S. contra aid program has fostered lies, fraud and corruption. CIA Director William J. Casey first told Congress that the President needed \$19 million to "interdict" arms flowing from the Sandinistas to the Salvadoran rebels. More than two years passed, and more millions were spent on "interdicting," but U.S. Ambassador to El Salvador Deane Hinton told Congress that "nary a *pistola*" had been intercepted. What then was the money spent for?

According to author Christopher Dickey in his new book, "With the Contras," the early funding was never intended for stopping an arms flow, which was minimal in 1981. Rather, it was intended for the CIA to form the *contras* out of a gang of former Nicaragua National Guardsmen loyal to ousted dictator Anastasio Somoza. These guardsmen had earned a reputation for brutality. In fact, these men who formed the *contras*, according to Dickey, had committed gross human-rights violations that the CIA *knew* about.

Dickey claims that the lion's share of the aid went to a handful of former Nicaragua National Guard officers, such as Capt. Ricardo ("El Chino") Lau, a man with a

reputation for murder and torture. Lau did not intercept the Sandinistas, Dickey says, or the alleged arms carriers. In 1985 a former director of intelligence in El Salvador claimed that Lau received \$120,000 to help arrange the assassination of El Salvador's Archbishop Oscar Romero, though this so far has not been proved. And Lau is only one of more than 40 former Somoza guardsmen in the contra command.

Another misuse of funds was reported by former contra leader Edgar Chamorro, who disclosed that U.S. funds were actually spent to lobby members of Congress.

Last year Congress allotted \$27 million to the contra cause. This figure also bears some scrutiny. It takes \$1 per day to sustain a fighter, according to the Administration. This sum, multiplied by 18,000 *contras*, accounts for only \$6.5 million. Where's the rest? Granted, the rebel army has expenses other than attending to its soldiers, but

only if corruption were rampant would the *contras* themselves be screaming that they don't have basic materials—boots, rice and beans. Meanwhile, according to a report in the New York Times, each of the seven directors of the largest U.S.-backed contra group, the Nicaraguan Democratic Force (FDN), receives a yearly salary of \$84,000 from the United States, tax-free.

The *contras* are, of course, not the only example of where U.S. funds intended for covert actions are converted into personal profit. Serious abuses were reported in Pakistan, where the heroin and arms trade have followed CIA money—as they did during the Vietnam War in the Golden Triangle (a heavy drug-trafficking area, where the borders of Thailand, Laos and Burma meet).

The lesson here is that in a covert climate, fraud and corruption flourish.

As the Administration's new romance with covert operations and "low-intensity warfare" spawns fresh scandals, we approach the 10th anniversary of the Church Committee, which exposed earlier CIA misdeeds—assassination attempts and coups—in a variety of Latin American locales. Things have not changed. A former Salvadoran army officer claims that he worked for the CIA and served as a translator for a U.S. official who advised the Salvadoran military on torture techniques and assassinations.

When lies and cover-ups are necessary to pursue a policy in order to circumvent Congress and the law, corruption follows as day follows night.

The President's request for \$100 million more to aid contra forces is as good as throwing money down the drain.

The Reagan policy toward Nicaragua is wrong, and the Administration's fiscal misdeeds throughout the entire contra program may be the most visible weak link in the rotten chain. If Congress gives one good yank, we might all see what comes apart.

Saul Landau is a senior fellow and Joy Hackel is a research associate at the Institute for Policy Studies in Washington.



OSWALDO, Excelsior, Mexico City